

Meeting Date: July 30, 2018
Page 1



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY
A California State Agency

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Request to Amend the Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project

Project Title	Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project		
Applicant	Ducks Unlimited Inc.		
Project Number	Prop 1-Y1-2015-003	Category	Implementation
Award Year	2015 (Cycle 1)	Original Award Amount	\$2,000,000
County	Yolo	Amendment Request Amount	\$26,813.63
Amendment Request	<input type="checkbox"/> Term <input checked="" type="checkbox"/> Scope <input checked="" type="checkbox"/> Budget		

Recommendation to the Board

Staff recommends the Board approve an amendment to the Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project (#Prop 1-Y1-2015-003), awarded to Ducks Unlimited, to increase and modify the budget, and to add a modeling deliverable to the scope of work.

Project Description

The Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project is an implementation project with the goals of enhancing habitat for migrating waterfowl and other species, improving agricultural sustainability and wildlife friendly agricultural practices, and increasing public access opportunities at the Yolo Bypass Wildlife Area. The project will create 220 acres of wetland and improve water management on 1,250 acres of existing wetlands and 540 acres of agricultural land.

The Board reserved \$2,000,000 for the project at the May 25, 2016 Board meeting, as part of the Conservancy's first Proposition 1 grant cycle. Funding was reserved contingent upon the completion of the CEQA process and approval of Responsible Agency findings by the Conservancy's Board; the Conservancy gave the grantee the deadline of March 2017. Due to delays with the CEQA process, the Conservancy extended the deadline twice: until July 2017 and again until January 2018. The grantee met the January 2018 deadline for completing CEQA. The Board made its Responsible Agency findings and awarded funding on January 24, 2018.

Meeting Date: July 30, 2018**Page 2**

As originally proposed, the project's projected start date was October 2016 and completion date was December 2017. The project faced significant delays during the CEQA process and is now expected to be completed in October 2019. The execution of the grant agreement has been delayed in the negotiation phase due to the grantee being slow to provide the following information needed to process the agreement: verification of adequate water rights (original condition of the grant award), Performance Measures Table revisions, budget revisions, and a construction timeline. These delays appear to be due to the grantee's lack of capacity and responsiveness. These concerns have been presented to the grantee verbally, in writing, and at an in-person meeting with Ducks Unlimited's management on July 18th, 2018. Based on discussion during the in-person meeting, staff believes the project remains viable, ecologically significant, and can be completed within the amended budget and timeline, provided that we receive all necessary information from the applicant by August 31, 2018 and are able to complete a grant agreement with the grantee by October 31, 2018. In the event that a grant agreement has not been completed, staff will bring a subsequent recommendation to the Board.

Amendment Description

The proposed amendment will increase the budget by \$26,813.63, from \$2,000,000 to \$2,026,813.63, and will shift funds from the personnel budget cost category to allow for increased permitting and construction costs. The additional funding will be used to complete 2-D modeling to show the project's effect on water flow in the Yolo Bypass, a step necessary to obtain a flood encroachment permit from the Central Valley Flood Protection Board. Completing this modeling is a new permit requirement that was added after the grantee originally submitted their application. The budget will also be changed, by shifting funds from the personnel cost category to the subcontractor cost category, to allow the grantee to cover the increased cost of fuel, materials, and labor required to complete construction of the project (these costs have increased since the grant application was submitted). With this amendment, the project budget will exceed the \$2 million funding cap for the cycle in which it was submitted, although subsequent rounds have since removed the funding cap.

This amendment will not impact Proposition 1 program delivery or capacity, nor will it impact programmatic performance measures. The relatively small dollar amount of the budget increase is unlikely to make a significant difference in the overall Proposition 1 budget. If the Board does not approve this amendment, the grant will be delayed and revoking the award may be prudent. Staff has considered the risks associated with this amendment request and is requesting approval because the value to the Delta of the project – if it is implemented – will be considerable.

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